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SHREVEPORT OPERA
SHREVEPORT, LOUISIANA

FINANCIAL STATEMENTS

June 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/27/10

Marsha O. Millican
Certified Public Accountant
Shreveport, Louisiana

SHREVEPORT OPERA.

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June 30, 2009

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Marsha O. Millican
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Shreveport Opera
Shreveport, Louisiana

I have audited the accompanying statement of financial position of Shreveport Opera (a non-profit organization) as of and for the year ended June 30, 2009. These financial statements are the responsibility of Shreveport Opera's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shreveport Opera as of June 30, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated December 14, 2009 on my consideration of Shreveport Opera's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

Certified Public Accountant
December 14, 2009

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Shreveport Opera
Statement of Financial Position
June 30, 2009

ASSETS

CURRENT ASSETS

| | |
|---------------------------------|--------------|
| Cash and Cash Equivalents | \$ 89,809 |
| Grants and Contracts Receivable | 8,647 |
| Prepaid Expenses | <u>6,719</u> |

Total Current Assets 105,175

PROPERTY AND EQUIPMENT (NET)

13,884

OTHER ASSETS

| | |
|---------------------------------|----------------|
| Investments | 19,687 |
| Assets Restricted for Endowment | <u>170,712</u> |

Total Assets \$ 309,458

LIABILITIES AND NET ASSETS

| | |
|---------------------------------------|---------------|
| Accounts Payable and Accrued Expenses | \$ 10,057 |
| Line of Credit Payable | 60,000 |
| Notes Payable - Current Maturities | 4,154 |
| Deferred Revenue | <u>34,511</u> |

Total Current Liabilities 108,722

LONG-TERM LIABILITIES

| | |
|--|--------------|
| Notes Payable - net of Current Portion | <u>5,631</u> |
|--|--------------|

Total Liabilities 114,353

Net Assets:

| | |
|------------------------|----------------|
| Unrestricted | 24,393 |
| Permanently Restricted | <u>170,712</u> |

Total Net Assets 195,105

Total Liabilities and Net Assets \$ 309,458

The accompanying notes are an integral part of this statement.

SHREVEPORT OPERA

Statement of Activities

For the Year Ended June 30, 2009

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|--|---------------------|-----------------------------------|-----------------------------------|-------------------|
| SUPPORT AND REVENUE: | | | | |
| Support: | | | | |
| Contributions | \$ 313,072 | \$ - | \$ - | \$ 313,072 |
| In-Kind Contributions | 7,200 | | | 7,200 |
| | | | | - |
| Total Support | <u>320,272</u> | <u>-</u> | <u>-</u> | <u>320,272</u> |
| | | | | - |
| Revenues: | | | | |
| Season Ticket Sales | 71,758 | - | - | 71,758 |
| Box Office Receipts | 40,871 | - | - | 40,871 |
| Program Ad Sales | 10,600 | - | - | 10,600 |
| Performance Fees | 16,850 | - | - | 16,850 |
| Guild Revenue | 392,983 | - | - | 392,983 |
| Grants | 133,615 | - | - | 133,615 |
| Special Events | 61,563 | - | - | 61,563 |
| Miscellaneous | 10,110 | - | - | 10,110 |
| Interest and Unrealized Gains | 344 | - | - | 344 |
| | | | | |
| Total Revenues | <u>738,694</u> | <u>-</u> | <u>-</u> | <u>738,694</u> |
| | | | | |
| Total Support and Revenue | <u>1,058,966</u> | <u>-</u> | <u>-</u> | <u>1,058,966</u> |
| Net Assets Released from Restrictions: | | | | |
| Satisfaction of Usage Restrictions | - | - | - | - |
| | | | | |
| Total Support and Revenue | <u>1,058,966</u> | <u>-</u> | <u>-</u> | <u>1,058,966</u> |
| EXPENSES | | | | |
| Program Expenses | 293,541 | - | - | 293,541 |
| General and Administrative | 419,480 | 14,424 | - | 433,904 |
| Opera Guild Expenses | 259,863 | - | - | 259,863 |
| Unrealized Losses (Net) | - | 3,421 | 26,842 | 30,263 |
| | | | | |
| Total Expenses | <u>972,884</u> | <u>17,845</u> | <u>26,842</u> | <u>1,017,571</u> |
| | | | | |
| Change in Net Assets | 86,082 | (17,845) | (26,842) | 41,395 |
| | | | | |
| Net assets, beginning of year | <u>(61,689)</u> | <u>17,845</u> | <u>197,554</u> | <u>153,710</u> |
| | | | | |
| Net assets, end of year | <u>\$ 24,393</u> | <u>\$ -</u> | <u>\$ 170,712</u> | <u>\$ 195,105</u> |

The accompanying notes are an integral part of this statement.

SHREVEPORT OPERA

Statement of Cash Flows

For the Year Ended June 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES:

| | |
|--|-----------------|
| Change in net assets | \$ 41,395 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | |
| Depreciation | 10,725 |
| Changes in assets and liabilities: | |
| Decrease in grants and contracts receivable | 21,509 |
| Increase in prepaid expenses | (260) |
| Decrease in accounts payable and accrued expenses | (1,630) |
| Decrease in deferred revenue | <u>(57,932)</u> |
| Net cash provided by operating activities | <u>13,807</u> |

CASH FLOWS USED BY INVESTING ACTIVITIES:

| | |
|---|---------------|
| Net change in investments | 1,052 |
| Net change in endowment funds | 26,842 |
| Net change in charitable annuity funds | <u>17,845</u> |
| Net cash provided by investing activities | <u>45,739</u> |

CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:

| | |
|--|------------------|
| Proceeds from line of credit borrowings | 70,000 |
| Payments on line of credit | (134,363) |
| Principal payments on debt | <u>(3,786)</u> |
| Net cash used by financing activities | <u>(68,149)</u> |
| Net increase in cash | (8,603) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>98,412</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 89,809</u> |

Supplemental disclosures of cash flow information:

| | |
|--|-----------------|
| Cash paid during the year for interest expense | <u>\$ 3,109</u> |
|--|-----------------|

The accompanying notes are an integral part of this statement.

SHREVEPORT OPERA

Notes to Financial Statements

June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General:

Shreveport Opera is a nonprofit organization exempt for Federal income tax purposes under Section 501 (c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes. The Organization is managed by the officers of the corporation who are responsible to the Board of Directors as the bylaws require. The full-time employee who heads the staff, usually the General Director, reports to and is fully responsible and accountable to the President.

B. Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting.

C. Basis of Presentation:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

D. Cash and Cash Equivalents:

For purposes of cash flows, the organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

E. Property and Equipment:

Purchased property and equipment are stated at cost. Donated property and equipment are stated at their fair market value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from five to ten years.

F. Contributions:

All contributions received are considered available for unrestricted use unless the donor specifies a restriction. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

(Continued)

SHREVEPORT OPERA

Notes to Financial Statements

June 30, 2009

G. Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. Advertising:

The Opera follows the policy of charging the costs of advertising to expense as incurred. Costs charged to expense for advertising for the year ended June 30, 2009 totaled \$13,035.

2. Assets Restricted for Endowment:

Assets restricted for endowments consists of the following at market value:

| | |
|---------------------------|--------------------------|
| Cash and Cash Equivalents | \$ 91,647 |
| Equities | 305 |
| Treasury Securities | 30,601 |
| Mutual Funds | <u>48,159</u> |
| Total | <u><u>\$ 170,712</u></u> |

3. Investments:

Investments are stated at fair market value and consist of the following:

| | |
|---------------------------|-------------------------|
| Cash and Cash Equivalents | \$ 19,157 |
| Equities | <u>530</u> |
| Total | <u><u>\$ 19,687</u></u> |

4. Deferred Revenue:

Deferred revenue consists of funds received which are designated for the following year. These funds will be recorded as revenue in the following fiscal year ending June 30, 2010.

5. Line of Credit Payable:

Line of credit payable consists of net draws of \$60,000 on an unsecured line of credit that bears interest at prime and is collateralized by Endowment funds.

(Continued)

SHREVEPORT OPERA

Notes to Financial Statements

June 30, 2009

6. Notes Payable:

Notes payable at June 30, 2009 consisted of the following:

| | |
|--|-----------------|
| Note payable to a bank dated 10/20/06 in the original amount of \$19,626 due in 59 installments of \$397; bearing interest at 7.75%; collateralized by 2006 vehicle. | \$ 9,785 |
| Less: Due within One Year | <u>(4,154)</u> |
| Notes Payable - Due After One Year | <u>\$ 5,631</u> |

Maturities of notes payable are as follows: June 30, 2010 - 4,154; June 30, 2011 - 4,488; June 30, 2012 - \$1,143.

7. Donated Material and Services:

Donated materials and equipment are reflected as contributions in the accompanying financial statements at their estimated values at date of receipt. No amounts have been reflected in the statements for donated services in as much as no objective basis is available to measure the value of such services and the donated services do not create a nonfinancial asset. However, a number of volunteers have donated significant amounts of their time to the Opera.

8. Concentration of Credit Risk:

All cash deposits are fully insured by FDIC insurance.

9. Lease Commitments:

The Opera has a noncancellable operating lease for office equipment for \$251 per month for a period of sixty months. Rental expense for this lease totaled \$3,012 for the year ended June 30, 2009. Future minimum lease payments are as follows: June 30, 2010 - \$3,012; June 30, 2011 - \$3,012; June 30 - 2012 - \$1,757.

SHREVEPORT OPERA

Schedule of Prior Year Findings

For the Year Ended June 30, 2009

There were no findings for the year ended June 30, 2008.



Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Directors
Shreveport Opera
Shreveport, Louisiana

I have audited the financial statements of Shreveport Opera as of and for the year ended June 30, 2009, and have issued my report thereon dated December 14, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Shreveport Opera's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Opera's internal control. Accordingly, I do not express an opinion on the effectiveness of the Council's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Opera's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Opera's financial statements that is more than inconsequential will not be prevented or detected by the Opera's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Opera's internal control.

My consideration of internal control was for the limited purpose described in the second paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

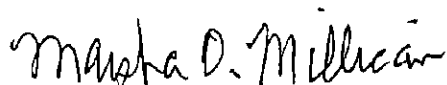
As part of obtaining reasonable assurance about whether Shreveport Opera's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts,

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and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

I noted a certain matter that I reported to management of Shreveport Opera in a separate letter dated December 14, 2009.

This report is intended solely for the information and use of management and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink, reading "Maisha D. Millican". The signature is written in a cursive, flowing style.

Certified Public Accountant
December 14, 2009

SHREVEPORT OPERA.

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2009

Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements.
2. No control deficiencies relating to the audit of the financial statements are reported as material weaknesses in the Opera's internal control.
3. No instances of noncompliance material to the financial statements of Shreveport Opera was disclosed during the audit.

Finding/Noncompliance

There were no findings for the year ended June 30, 2009.



Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

MANAGEMENT LETTER

Board of Directors
Shreveport Opera
Shreveport, Louisiana

In planning and performing my audit of the financial statements of Shreveport Opera as of June 30, 2009, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

However, during my audit, I became aware of the following matters that are opportunities for strengthening internal controls and operating efficiency.

Employee Withholdings

The Opera withheld amounts for retirement and union dues from employees salaries. These withholdings were not transmitted to the payee on a timely basis.

I recommend all employee payroll withholdings be transferred to the appropriate payee on a timely basis.

Management stated that all employee withholdings were paid subsequent to year end.

I will review the status of the above comment during my next engagement. I have discussed the above with management of the Opera and management has indicated the recommendations will be implemented.

This report is intended solely for the information and use of the Board of Directors, management, state and federal cognizant agencies and is not intended to be and should not be used by any others within the organization other than these specified parties. Under Louisiana revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Marsha O. Millican

Certified Public Accountant
December 14, 2009

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